

Anritsu  
**Sustainability Overview 2021**

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# Creating a Sustainable Future Together

In April 2021, Anritsu formulated its new Company Vision and Company Policy toward 2030.

Our Sustainability Policy was revised at the same time. We take on the challenges of creating a sustainable society together with our stakeholders through the actions of every employee under the philosophy, vision, and policy.



## Sustainability Policy

**The Anritsu Group aims to increase our long-term corporate value through contributing to building a sustainable future of the global society with "Sincerity, Harmony, and Enthusiasm."**

- 1 We will contribute to building a safe, secure, and prosperous global society through our business activities, based on our long-term vision.
- 2 We will take the initiative in solving environmental issues, such as climate change, to contribute to building a people- and planet- friendly future.
- 3 We will respect the human rights of all people and strive to create a workplace offering healthy lives and decent work for all where diverse individuals can grow together.
- 4 We will operate as a business with high corporate responsibility, peaceful, just, and ethics while maintaining business transparency to meet our social obligations.
- 5 We will promote communications with stakeholders to develop strong partnerships and meet the challenges of solving social issues.

Revision April 2021

Anritsu Group Charter of  
Corporate Behavior

Anritsu Group Code of Conduct

# Our Passion Encapsulated in the New Company Vision and Brand Statement

The new Company Vision represents our conviction that every employee should be able to take on challenges, consistently provide new value to society, and grow in the future. We intend to be a company that meets stakeholder expectations while broadly communicating the new brand statement, "Advancing beyond," which succinctly expresses this conviction and confirms our commitment to all stakeholders.

## New Company Vision

### **Beyond testing, beyond limits, for a sustainable future together**

#### **Beyond testing**

Anritsu welcomes new ideas and technologies to go beyond conventional testing and add increased value and innovation.

#### **Beyond limits**

Anritsu goes above existing business boundaries by valuing every employee's enthusiasm and supporting their challenges to shift the paradigm and achieve breakthroughs not only in technology but in every business aspect.

#### **For a sustainable future together**

Anritsu employees together with customers and stakeholders will devote their business to solving social issues to build a sustainable and hopeful future for new generations.

## Brand Statement/Brand Story

# Advancing beyond

The future will arrive even if we stand still, and what value will we see in it?

Consequently, Anritsu is proactively stepping forward.

Based on our accomplishments in testing technology supporting the development of telecommunications and the safety and security of food and pharmaceutical products, we are advancing into new domains by leveraging conceptual and technological synergies with various partners.

Breaking Barriers - Transcending Boundaries

To achieve an affluent, sustainable society, we will work together to exceed limits and go beyond testing.

Advancing beyond

## Group CEO Message

## Working to realize the sustainability of a safe, secure, and prosperous global society and create new value

**Hirokazu Hamada**

Representative Director, President of Anritsu, Group CEO

In April 2021, the Anritsu Group formulated its new Company Vision, "Beyond testing, beyond limits, for a sustainable future together." We are committed to taking on challenges with our stakeholders to realize a sustainable society without limits. Keep your eyes on the Anritsu Group to see the future.

### Devoting the Company and Stakeholders to Building a People- and Planet-Friendly Sustainable Future

The new Company Vision, "Beyond testing, beyond limits, for a sustainable future together," summarizes our strong commitment to create and pass down a sustainable, hopeful future to new generations with all of our stakeholders by pursuing the highest level of testing and measurement, our major competency; developing the pillars of new businesses by combining different ideas and technologies within and outside the Company; and creating high value and new fields beyond conventional testing while surpassing Anritsu's traditional limits through the initiative and concerted action of employees.



## Supporting the Foundation of Sustainability with Test and Measurement Technology

The Anritsu Group aims to increase our long-term corporate value through contributing to building a sustainable future of the global society with “Sincerity, Harmony, and Enthusiasm.”

Online services in the fields of business, healthcare, education, and public services are dramatically proliferating as a means for preventing the spread of COVID-19. This trend increases the urgency of building a safe, secure, and resilient network infrastructure that is essential for our business activities and daily life. Digital transformation (DX), which plays a key role in Society 5.0, proposed by the Japan Federation of Economic Organizations is introducing innovation that enhances everyday life through the evolution of digital technologies, which are also based on telecommunications.

Anritsu provides technologies, products, and solutions that contribute to the building of safe and secure infrastructure that leads to the foundation for industries and technological innovation. From the aforementioned, we take Group-wide actions to establish industries that contribute to the building of a sustainable society and to promote innovation.

## Accelerating the Establishment of Sustainability Management

As one component of our Company Policy that we revised with our Company Vision, we include the promise of “Devoting the company and stakeholders to building a people- and planet-friendly sustainable future.” We also revised our Sustainability Policy, in which we state our efforts in each ESG area. The policy represents our firm commitment to seizing the initiative to address social issues such as climate change, respect for human rights, diversity and inclusion, and maintaining a peaceful, just society in partnership with our stakeholders while also actively engaging in the creation of a future society.

We announced our sustainability targets in the ESG domains in April 2021 based on projecting from the long-term perspective of 2030 to demonstrate concrete targets for our three-year plan as milestones for our long-term goals. We are partnering with employees to further promote sustainability management so that all of them in their diverse personalities and talents are able to recognize the SDGs, take personal ownership of global issues, and contribute to achieving the SDG targets.

### Sustainability target (ESG)

	Goals and initiatives	GLP2023:KPI
E Environment	Long-term plans and initiatives to reduce greenhouse gas emissions	<ul style="list-style-type: none"> <li>Greenhouse gases (Scope 1+2): 23% reduction compared to FY2015</li> <li>Greenhouse gases (Scope 3): 13% reduction compared to FY2018</li> </ul> <p>...30% reduction by FY2030</p>
	Increase in the share of in-house renewable power generation (PGRE 30)	<ul style="list-style-type: none"> <li>In-house power generation ratio: 13% or more (compared to FY2018 power consumption)</li> </ul> <p>... To be increased to around 30% by 2030</p>
S Social	Promoting diversity management	<ul style="list-style-type: none"> <li>Advancement of women: A proportion of women in manager positions of 15% or more</li> <li>Advancement of the elderly: Employment until the age of 70 and the establishment of a new compensation packages</li> <li>Promote employment of physically challenged people: Achieve the legally mandated employment rate of 2.3% through job development</li> </ul>
	Promoting global CSR procurement	<ul style="list-style-type: none"> <li>Strengthening of supply chain due diligence: A cumulative total of 10 or more companies, over 3 years</li> <li>Developing awareness on CSR procurement to suppliers at least twice per year, and provide training at least once each year</li> </ul>
G Governance	Improving global governance	<ul style="list-style-type: none"> <li>Promoting the diversity of the Board of Directors, outside director ratio 50% or more</li> </ul>
	Promoting the establishment of an internal control system at overseas subsidiaries	<ul style="list-style-type: none"> <li>All overseas subsidiaries meet the criteria of Control Self-Assessment (CSA)</li> </ul>

## Encouraging the Wider Use of Renewable Energy by Increasing the Share of Private Solar Power Generation under PGRE 30

One of these efforts is PGRE 30, which is officially called the Anritsu Climate Change Action PGRE 30. This unique Anritsu action plan was established in 2019 to reduce our greenhouse gas emissions

and defines our environmental targets in response to climate change. We plan to introduce solar power generation facilities and increase the private renewable energy generation ratio using the Anritsu Group's energy consumption in fiscal 2018 as a base, from 0.8% for fiscal 2018 to about 30% by around 2030. We are already operating solar power generation at the head office (Atsugi City, Kanagawa Prefecture) and Tohoku Anritsu Co. Ltd. (Koriyama City, Fukushima Prefecture). In October 2020, Anritsu Company (U.S.A.) in California started to operate a solar power generation facility (1,100 kW). As a result, our share of solar power generation rose to 3.3% in fiscal 2020. The share will rise as high as 7% or 8% in fiscal 2021, and we are targeting at least 13% by fiscal 2023.

We will install solar power generation facilities at three business sites to help achieve Goal 7, Target 7.2 of the SDGs: By 2030, increase substantially the share of renewable energy in the global energy mix.

## Dealing with the COVID-19 Pandemic

With no sign of the COVID-19 pandemic being contained anywhere in the world, Anritsu is working to prevent COVID-19 infections while ensuring business continuity. We have taken measures such as promotion of telecommuting, ensuring social distancing, and conducting various events online while also providing commuter bus service for employees and producing nonwoven fabric face masks made by employees of Anritsu Kousan Co., Ltd. We are distributing masks to employees as well as customers and suppliers. Our subsidiary AT Techmac Co., Ltd. manufactured panels that have been placed in our offices, employee cafeterias, and reception rooms to prevent droplets from spreading.

While retaining “Sincerity, Harmony, and Enthusiasm” as stated in the Company Philosophy, and raising awareness of and extensively implementing the new Company Vision, we intend to become a company that is required by society and contributes to creating a better future. We are committed to taking on every challenge without exception. Look to the Anritsu Group to see the future.

# The Future Goal of Our Sustainability Management

Company Philosophy  
Company Vision  
Company Policy

Mid term Business Plan  
(GLP2023)

Financial target

Sustainability target

Sustainability Policy

## Solving Social Issues Through Business

### Anritsu Group

Put into place a safe and secure infrastructure which leads to the building of a sustainable society and encourages innovation



### Test and Measurement Business

- Put in place a robust network infrastructure



### PQA Business\*

- Reducing food loss
- Ensuring product quality



### Environmental Measurement Business

- Put in place a robust network infrastructure
- Preventing and mitigating natural disasters



### Sensing and Devices Business

- Put in place a robust network infrastructure
- Ensuring healthy lives



## Challenges to Meet the Needs of Society (ESG)

### Environment

Contributing to the creation of a sustainable society with sustainable consumption and corporate production practices

- Increasing the share of private renewable energy generation of total energy consumption
- Reduction in CO<sub>2</sub> emissions volume (energy consumption volume) and water usage volume
- Developing and manufacturing high-quality and environmentally friendly products
- Supply chain management that lowers environmental impact



### Social

Together with our diverse human resources, we seek to contribute to the creation of workplaces where each individual can achieve personal growth and experience job satisfaction.

- Respect for human rights and diversity
- Human resources development
- Occupational health and safety
- Supply chain management that gives due regard to human rights



### Governance

Ensuring ethical corporate activities through risk management and transparent, fair, quick, and resolute decision making

- Corporate governance
- Establishing compliance as a part of our mind-set
- Promoting risk management



### The Creation of Shared Value through the Promotion of Communication

Contributing to the creation of shared value with collaboration among all stakeholders

- Providing information to and communicating with stakeholders

### Test and Measurement Business

Communications semiconductor manufacturers

Communication module manufacturers

Smartphone manufacturers

Wireless base station manufacturers

Telecommunications operators

Automobile makers

IoT terminal manufacturers

Home electronics manufacturers

Aerospace industry

Others

### PQA Business

Processed food producers

Pharmaceutical manufacturers

Others

## Customers

### Environmental Measurement Business

Financial services providers

Educational institutions

Local governments

Telecommunications operators

Others

### Sensing and Devices Business

Medical equipment manufacturers

Telecommunications operators

Telecommunications parts manufacturers

Others

## The Future Goal of Our Sustainability Management

## Developing a Safe, Secure, and Prosperous Global Society

Anritsu will contribute along with its customers to the resolution of social issues through its business operations. The Company takes on challenges to meet the needs of society and places great value on communication with stakeholders while working to advance the sustainability of a global society.

## Contribution Areas

Upgrading telecommunications infrastructure

Alleviating labor shortages

Eliminating information disparities

Reducing food loss

Preventing global warming

Ensuring food safety and security

Advanced automotive safety

Mitigating natural disasters

# R&D and Intellectual Property

The Anritsu Group believes that its R&D capabilities, which leverage cutting-edge technologies and proven human resources, represent a key driving force for addressing social issues.

The Anritsu Group plays a role in building a sustainable society together with our customers by developing “Original & High Level” products and solutions and delivering them throughout the world through the acquisition, retention, and utilization of advanced technologies.

## Strategic Intellectual Property Management

### Sources of “Original & High Level”

#### Research and Development System of the Anritsu Group

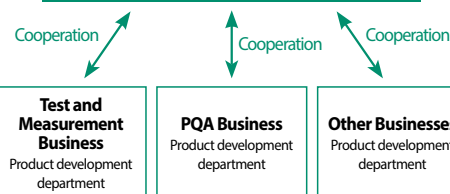
The core Test and Measurement Business of the Company operates R&D sites in Japan, the Americas, EMEA\*, Asia and other regions. We generate synergies by effectively applying technologies owned by the regional sites to develop advanced products.



#### Diverse Human Resources

Anritsu's diverse human resources with different nationalities, genders, ages, fields of expertise, views, representing a variety of opinions and values, cooperate to create Original & High Level products. At the Advanced Research Laboratory, which handles R&D activities for fundamental and future technologies, many mid-career employees with diverse experience are exerting their talent.

#### Advanced Research Laboratory



#### Participating in Standards Organizations

Participating in  
**11**  
organizations

(as of March 2021,  
Test and Measurement Business)

WEB Participating in Organizations

#### Partnership with Customers

#### R&D

Ratio of R&D expenses to  
net sales

**10.6%**

(FY 2020)

WEB Changes in R&D expenses

#### Acquisition

#### Retention

#### Utilization

#### Technologies of the Anritsu Group (Excerpt)

##### Mobile communications 2G, 3G, 4G, and 5G

- Signaling technology
- Signal analysis technology

##### Automotive IoT connectivity

- Wide range of wireless technologies
- Communications analysis technology

##### Cloud computing ultra-high-speed serial interface

- Ultra-high-speed digital signal technology
- Optical analysis technology

##### Common fundamental technology

- FPGA design technology
- Software design technology

##### X-ray contaminants inspection

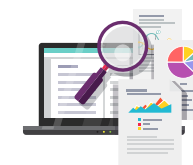
- Image processing technology
- Application of deep learning

##### Mass inspection

- High-speed, high-precision dynamic weighing technology
- Weighing stabilization technology

#### Use of Intellectual Property

Intellectual property is an important management resource for sustainable corporate growth and closely related to the Company's business strategy. The Intellectual Property Department works to grow the intellectual portfolio in collaboration with business divisions through the acquisition of intellectual property rights, which are the R&D results, and external technologies that complement them, toward realizing the business strategy.



#### Disclosure of New Products and Technologies

Information on new products and technologies is published on the Company's website, where the Anritsu Group's technical journal Anritsu Technical and research papers published in the journals of various academic societies are also available.

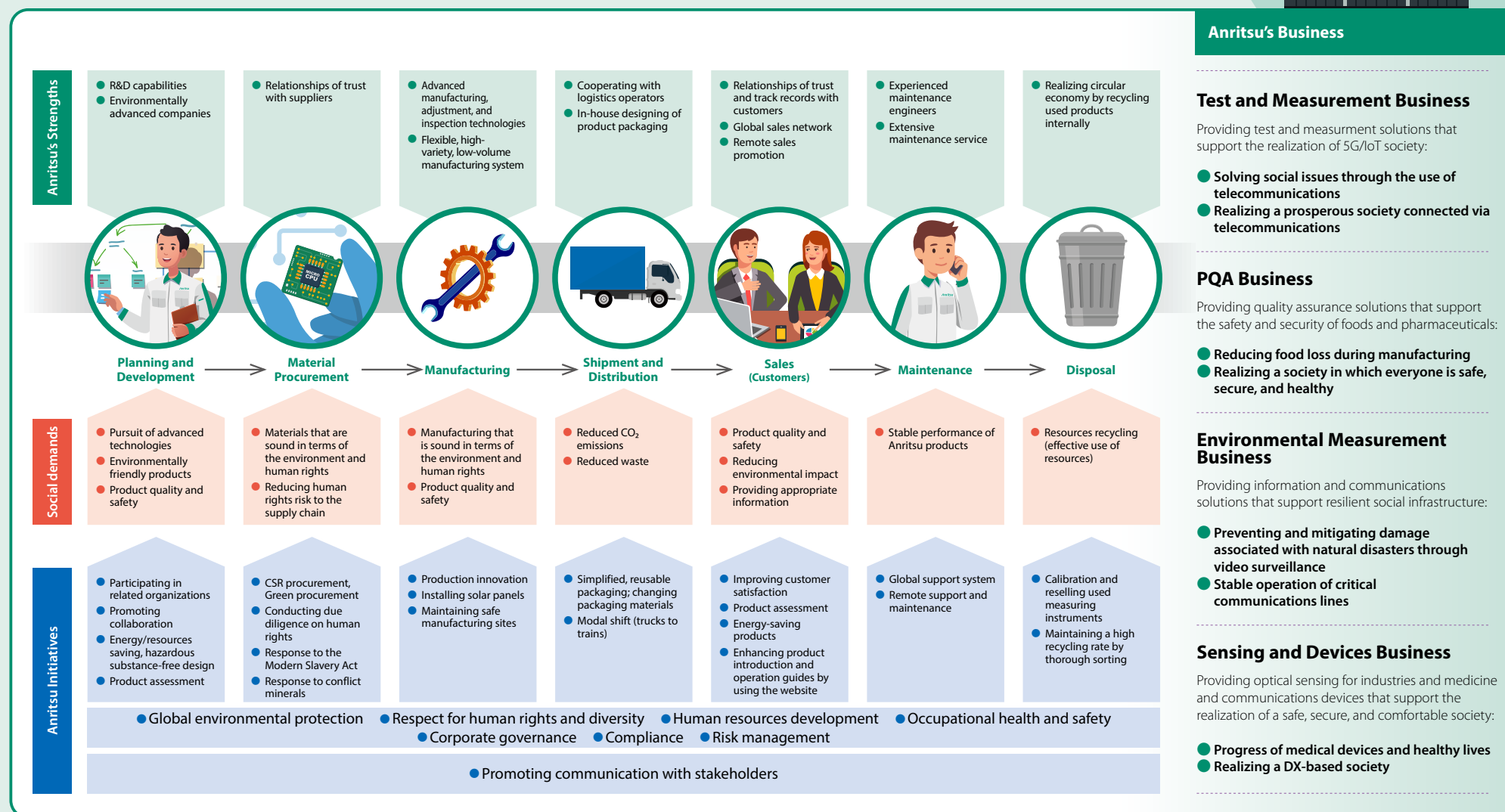
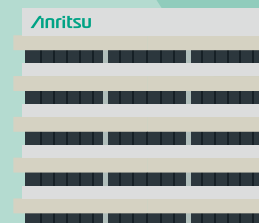
WEB Anritsu Technical Review

Management Strategy

Business Strategy

# Anritsu's Value Chain and Its Strengths for Supporting Business

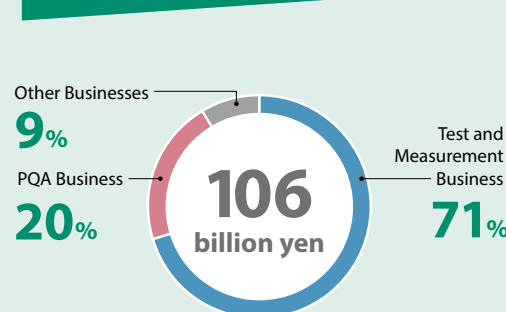
Anritsu contributes to the creation of a safe, secure, and prosperous society by addressing social expectations such as environmental protection and respect for human rights throughout our entire business operations, from planning to development and the ultimate disposal of products. To that end, the Company is establishing a value chain in collaboration with stakeholders.



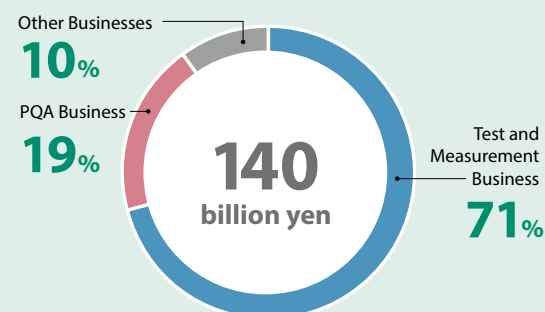
# Toward Medium-and Long-Term Targets

## Revenue

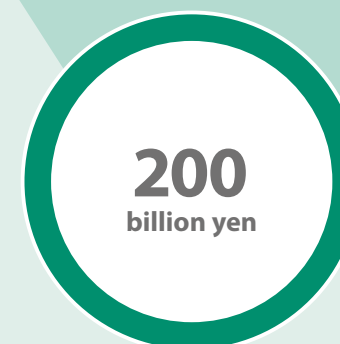
FY2020 Actual



FY2023 plan



FY2030 target



## FY2023 Sustainability Targets (ESG)

Reduce greenhouse gas emissions (Scope 1 + 2) compared with FY2015



**16.9%** **23%** **30%**  
2020 2023 2030 (FY)

Reduce greenhouse gas emissions (Scope 3) compared with FY2018



**10.1%** **13%** **30%**  
2020 2023 2030 (FY)

Share of private power generation

(base: electricity consumption in FY2018)



**3.3%** **13%** **30%**  
2020 2023 2030 (FY)  
about or higher

Share of female managers



**10.8%** **15%**  
2020 2023 (FY)  
or higher

Supply Chain Due Diligence  
Number of audited suppliers



**4** **10**  
GLP2020 GLP2023  
(cumulative) or more (cumulative)

Share of outside directors



**44%** **50%**  
2020 2023 (FY)  
or higher

# Test and Measurement Business

With a mission of being the first to deliver optimal test and measurement solutions with its advanced measurement technologies, Anritsu contributes to the creation of industry and advances in innovation that assist with the development of a sustainable society by helping customers build safe and secure communication infrastructure.



## Social Issues and Customer Needs

Anticipating the next social transformation through digital transformation

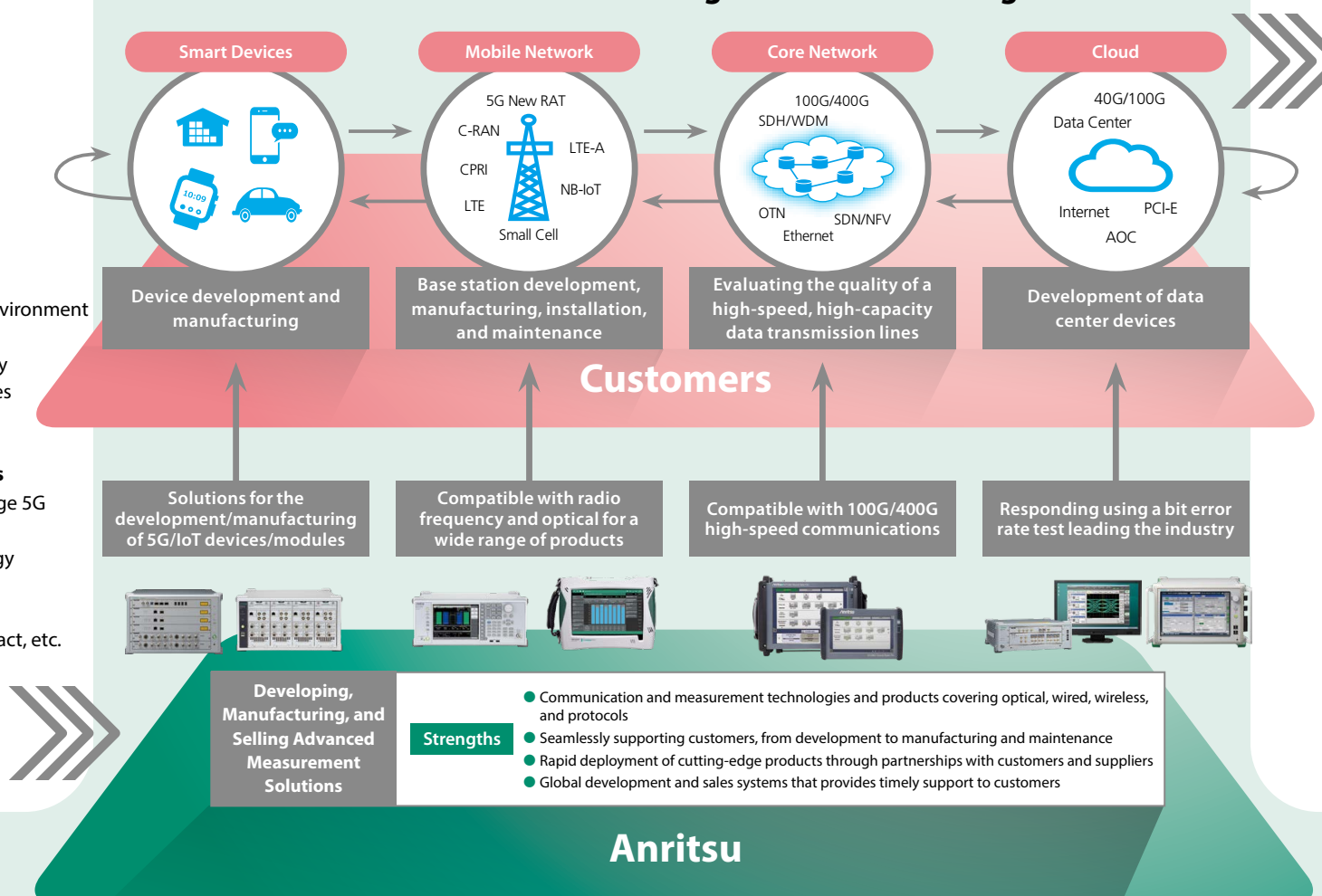
### Social Issues

- Digital transformation
- Strengthening telecommunication infrastructure
- Improving telecommuting environment
- Reducing traffic accidents
- Improving industrial efficiency
- Eliminating regional disparities

### Customer Needs and Interests

- Quick response to cutting-edge 5G technology
- Development of 6G technology
- Global support
- High Return on Investment
- Reducing environmental impact, etc.

## Evaluating and Inspecting the Development, Manufacturing, Construction, and Maintenance of 5G Infrastructure Using Anritsu's Measuring Instruments



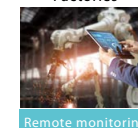
## Future Society

Leveraging 5G advantages to create a prosperous future with solutions that address social issues

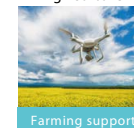
# 5G

- Ultrahigh-speed, large-capacity
- Multiple simultaneous connections
- Ultra-low latency

### Factories



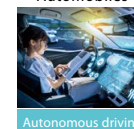
### Agriculture



### Construction



### Automobiles



### Healthcare





## Questions Posed to Anritsu Engineers by a Visiting Student

# SDGs in the Test and Measurement Business

In the future society, technological innovations such as DX are expected to support industries and everyday life. These innovations will be supported by advanced communications networks. Anritsu's Test and Measurement Business contributes to achieving Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation and Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable, in partnerships with customers by providing reliable communication test solutions to support development and ensure the quality of the communications network.



**Q: How will technological innovations shape the communities of the future?**

**A:** In the communities of the future, a variety of social issues will be solved by DX and people will be able to lead more comfortable, prosperous lives. For instance, we will be able to use autonomous driving and telemedicine, which leverages 5G's ultra-low latency characteristics.



**Q: How is Anritsu helping to develop the communities of the future?**

**A:** The infrastructure for future communities will incorporate securely connected advanced communications networks. The quality of communications will be ensured by using reliable communication test solutions.

Anritsu provides test solutions to ensure the quality of communications required for the development, manufacturing, and maintenance of smartphones and base stations. Telecommunications operators taking advantage of Anritsu's support will be able to construct resilient communications networks with highly reliable connectivity. This will also lead to better traffic safety. These efforts will contribute to achieving Targets 9.1 and 11.2 of the SDGs.



**Q: Please elaborate on the roles played by your test solutions.**

**A:** Communications terminals and equipment must be verified to have been manufactured in accordance with global mobile telecommunications specifications. Our measuring instruments, which serve as testing solutions, make invisible electrical waves visible. They also perform the functions of base stations in verifying that terminals and equipment operate in accordance with the latest communications specifications. Terminals and equipment verified by our measuring instruments will help to create safe, secure, and prosperous communities, as shown in the illustration on the right.



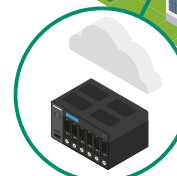
**I see. That's how Anritsu is helping to achieve Goals 9 and 11 of the SDGs.**



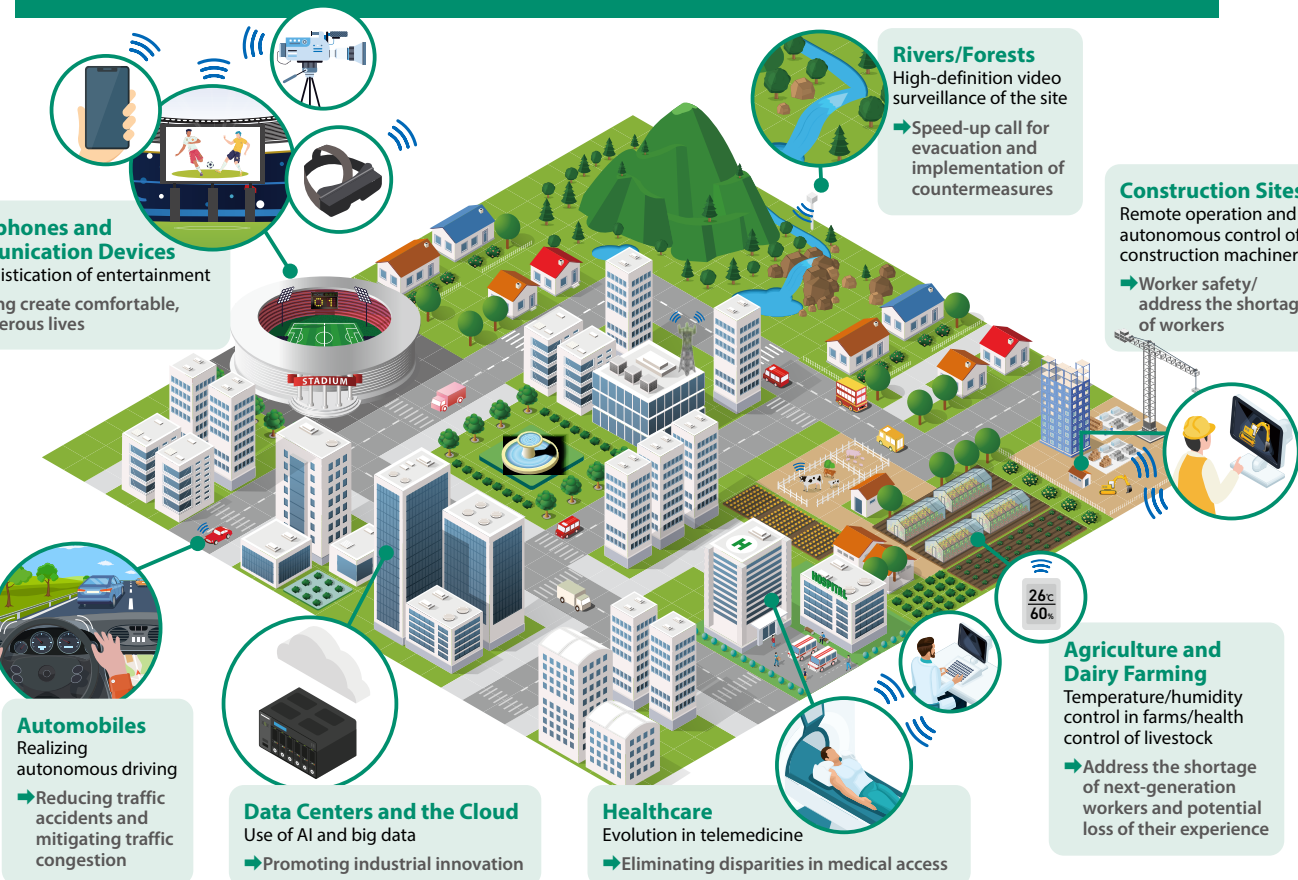
**Smartphones and Communication Devices**  
VR/Sophistication of entertainment  
→ Helping create comfortable, prosperous lives



**Automobiles**  
Realizing autonomous driving  
→ Reducing traffic accidents and mitigating traffic congestion



**Data Centers and the Cloud**  
Use of AI and big data  
→ Promoting industrial innovation



## PQA Business

The PQA Business provides solutions for automating the quality inspection process on production lines of the food and pharmaceutical industries. Representative Anritsu initiatives (presented below) address social issues faced by the food industry and account for over 80% of our PQA business.



### Social Issues and Customer Needs

Stable supply of safe and secure foods

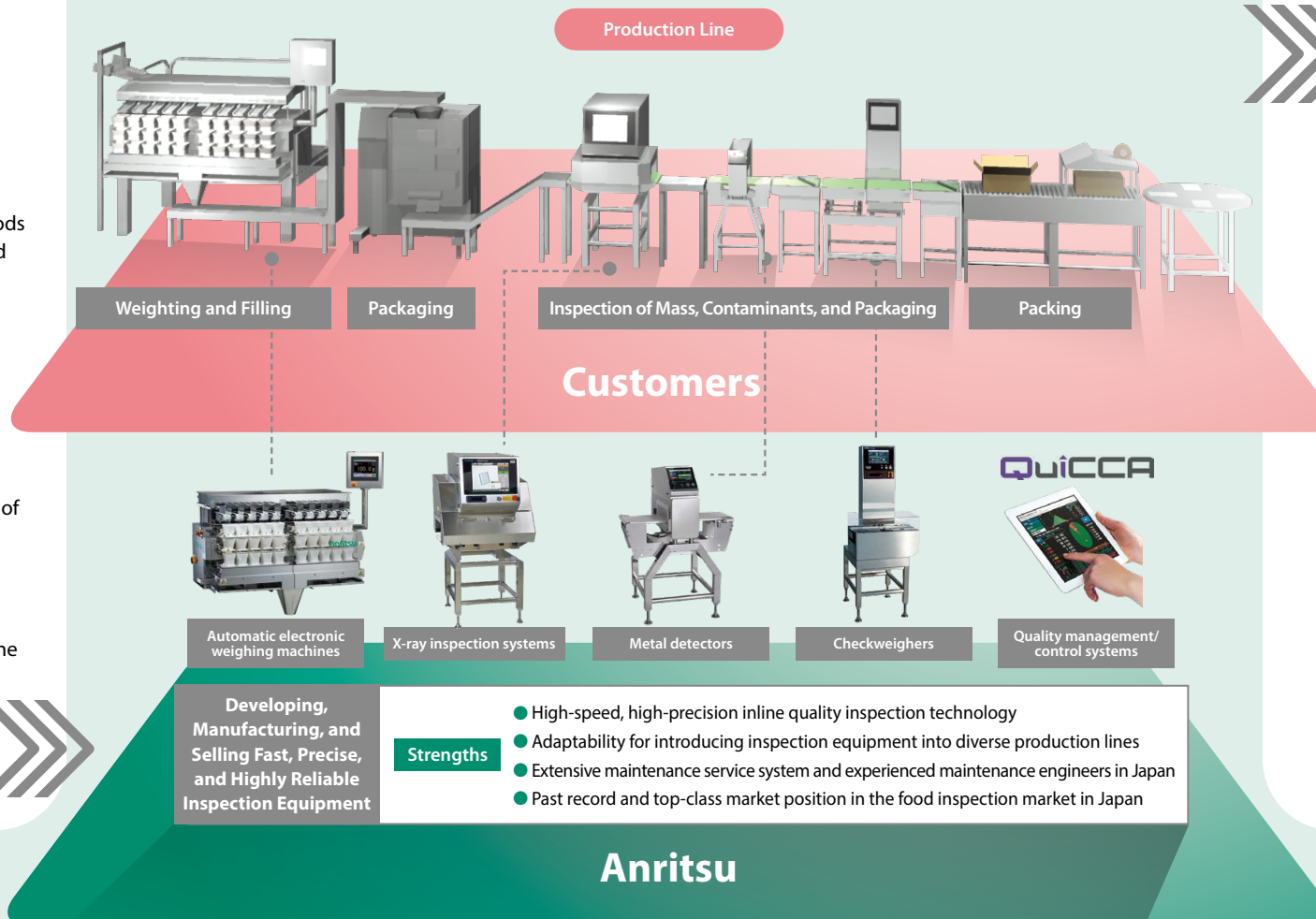
#### Social Issues

- Stable supply of healthy, tasty foods
- Assurance of safe and secure food quality
- Reducing food loss
- Alleviating labor shortages

#### Customer Needs and Interests

- High-speed, high-precision inspection
- Excellence in sanitation and ease of cleaning
- Easy maintenance
- Automated production lines and remote monitoring
- Improved productivity through the use of data
- Securing Traceability

### Realizing the Automation of Quality Inspection Process with Anritsu's Quality Assurance Solutions



### Future Society

Increasing the sophistication of quality assurance for food to achieve:

- A safe and secure society
- A sustainable society with little food loss





## Questions Posed to Anritsu Engineers by a Visiting Student

# SDGs in the PQA Business

Every year, 1.3 billion tonnes of food are lost around the world. Reducing this loss has become a key challenge for realizing a sustainable society. While the principal causes of food loss are leftovers and reaching the expiration date, some of the loss can be avoided by improving the quality of production. The PQA Business is focusing its quality assurance solutions on achieving Target 12.3 of the SDGs: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.



Q: Please explain about food loss, which has become a social concern.

A: "Food loss" refers to food that has been thrown away even though it was still edible. Before ingredients such as vegetables and meats are processed in factories and consumed at home, a huge volume of food is discarded as waste. This has become a major social issue. Target 12.3 of the SDGs calls for cutting food loss in half. The international community is working together to achieve this target.



Q: Please tell us about Anritsu's Food Loss Reduction Solutions of the future?

A: When processed food is found to be defective products after having been shipped from the factory and distributed in the market, a large volume of food must be recalled and discarded. Anritsu helps to reduce food loss by providing inspection equipment to food manufacturers to prevent the shipment of defective products to the market.



Q: The ideal solution is to prevent the production of any defective products. Do you have any solutions for reducing food loss in the manufacturing process?

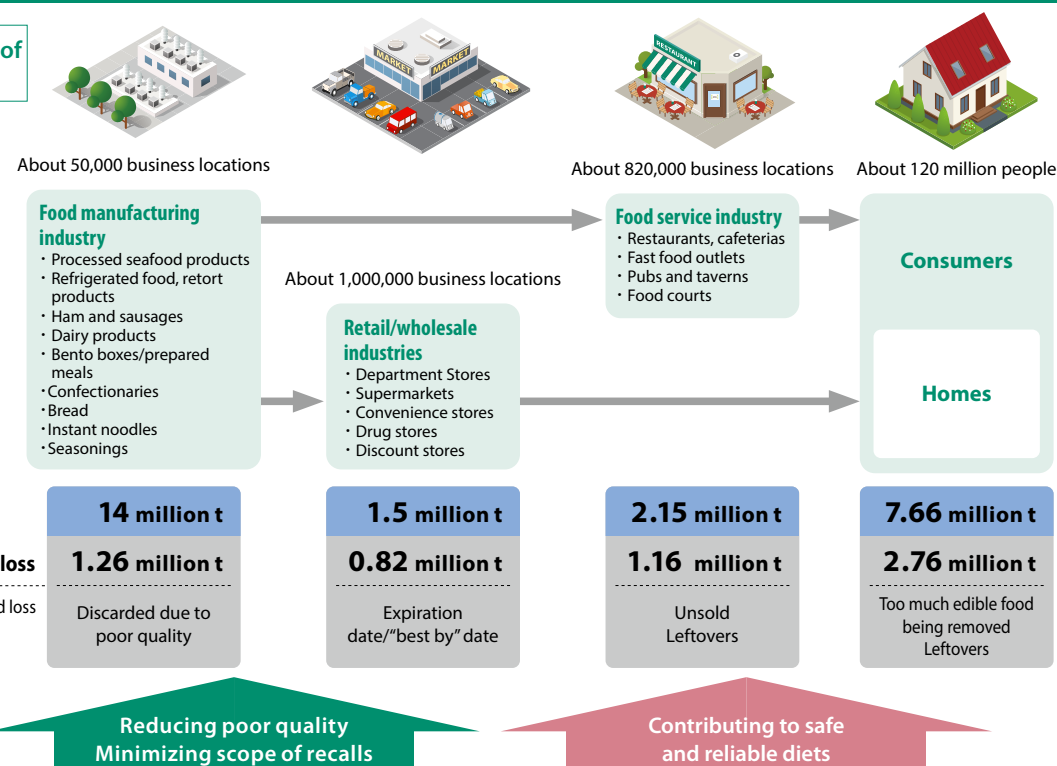
A: Anritsu's quality assurance solutions encompass the entire manufacturing process. For example, we can prevent the production of defective products by removing defective raw materials. We can also discover and discontinue the production of defective products by monitoring quality data. Reducing food loss leads to an increase in customer profits.



That makes sense. Now we understand how Anritsu's quality assurance solutions contribute to safe production of food while minimizing or eliminating loss.

## Amount of food loss generated at each food distribution stage

### The example of Japan



## Anritsu's Quality Assurance Solutions

Note: "Food waste" refers to foods that are still edible as well as parts of foods such as the bones of meats and fish that are separated out in the course of food processing and are not edible. "Food loss" means foods that are still edible but have been discarded. The food waste and food loss figures are estimates in FY2018 and were published by the Ministry of Agriculture, Forestry and Fisheries of Japan.

# Environmental Measurement Business

Anritsu plays an important role in realizing a safe, secure, and comfortable society with its customers by providing highly reliable solutions to improve communications quality and video surveillance solutions while leveraging its advanced technology. We also support the introduction and operation of local 5G and its dissemination to advance the transformation of the new digital society.



## Social Issues and Customer Needs

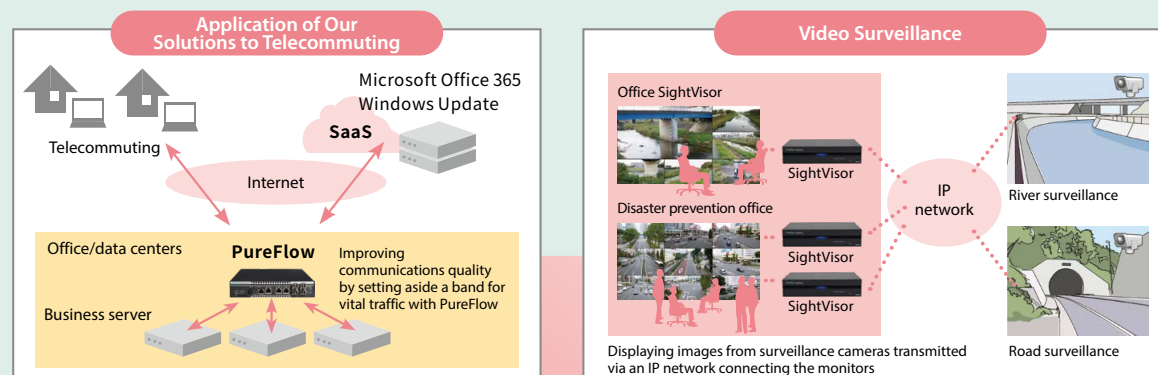
Anticipating the next social transformation through digital innovation.

### Social Issues

- Dramatic rise in traffic due to increased telecommuting and online education
- Increase in natural disasters such as torrential rains and earthquakes

### Customer Needs and Interests

- Easily dealing with communication failures in a company (late transmission, disconnection)
- Accurately grasping the state of a monitoring site with visual images in real time



Eliminating unstable access to an operating server due to an increase in the number of telecommuting employees by introducing PureFlowWS1 to implement priority control of the communications band.

High-resolution images, from surveillance cameras across a wide area to monitor rivers and roads, are displayed on monitors in the disaster prevention office. They capture multifaceted information from multiple locations to prevent and mitigate the impact of disasters.

## Customers



**Bandwidth Controller PureFlowWS1**  
Improving communications quality and stabilizing network access



**Video Information System SightVisor2**  
Broadcasting high-vision images on a nine-window screen

Developing, Manufacturing, and Selling Highly Reliable Communications Network Equipment

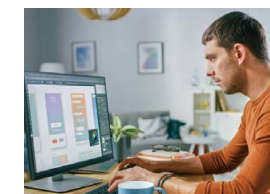
### Strengths

- Proprietary technologies and solution proposal capability
- Strong installation base

## Anritsu

## Future Society

Creating a communications environment that ensures stress-free, comfortable connectivity anywhere, anytime



Realizing a society in which measures to prevent and mitigate natural disasters have advanced and everyone can live securely



# Sensing and Devices Business

Anritsu contributes to realizing a safe, secure, and comfortable society by improving convenience in our lives together with customers through the provision of optical devices that constitute core components of industrial products and Ultrafast electron devices across the world.



## Social Issues and Customer Needs

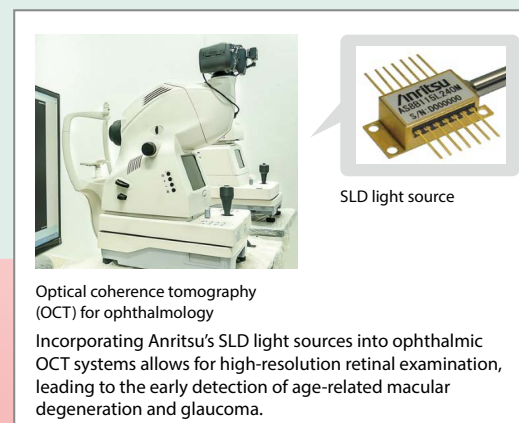
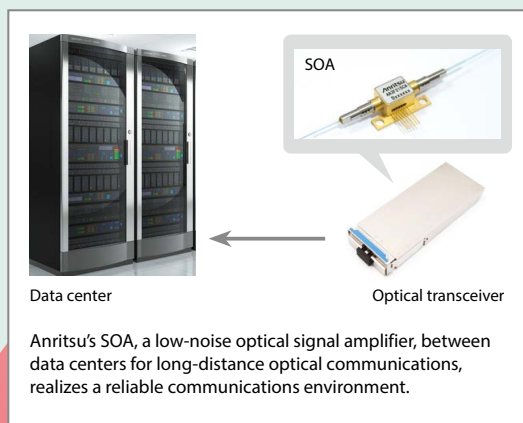
Anticipating the next social transformation through digital transformation

### Social Issues

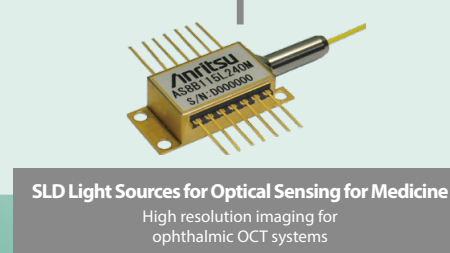
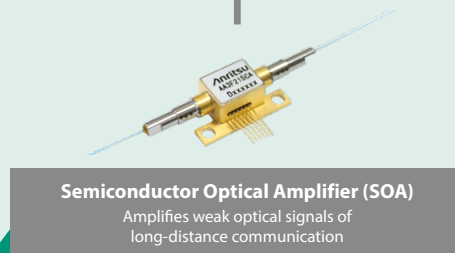
- Building a robust communications infrastructure that handles increased data traffic
- Increased number of patients with eye diseases due to the aging population

### Customer Needs and Interests

- Secured quality of optical signals transmitted through optical fiber that constitutes part of the communications infrastructure
- Development of a high-resolution retinal examination device



## Customers



Developing, Manufacturing, and Selling High-performance, Highly Reliable Devices

### Strengths

- Advanced device technologies, many with compound semiconductors
- Realizing flexible responses and high product quality through integrated processes

## Anritsu

## Future Society

Helping to resolve social issues through digital transformation and high-speed, high-capacity communications



Realizing a society in which people of all generations can enjoy healthy lives due to medical advances



# The Sustainability Management We Are Striving to Achieve

## Anritsu's Sustainability Management Continues to Evolve

Anritsu has changed its approach to sustainability management from promoting CSR focused on compliance and corporate philanthropy to pursuing sustainability by addressing social issues. We have learned and accomplished many things through this transition. Initially, our efforts were limited to raising manager awareness through top management instructions. Recently, however, SDGs have become more widely recognized by other employees as personal concerns. To simply and clearly express the sustainability management that we have revised our Sustainability Policy in conjunction with the renewal of our Company Vision, Company Policy, and Brand Statement in April 2021. The ideal future envisioned under Anritsu's sustainability management is to increase corporate value and become a company that society expects to grow and develop. This growth and development will come from contributing to the establishment of a safe, secure, and prosperous global society by helping to resolve social issues in our business, addressing challenges to meet the needs of society, and creating shared value through the promotion of communication. We have expressed this concept in our Sustainability Policy. The revised policy includes five components starting with the letter "P" (People, Planet, Prosperity, Peace, and Partnership), as stated in the agenda for the SDGs, unanimously adopted in the U.N. in 2015. Thus, the policy will offer a clear guideline for our sustainability management.

We are promoting sustainability management by clarifying key issues for action, sharing information, and communicating and disseminating actions to be taken by each division through its representative under the Sustainability Promotion Committee, which consists of the representatives of major divisions. We are also discussing and promoting sustainable management at the Management Strategy Conference, consisting of Vice presidents and executive officers. We use the Sustainability Promotion Committee as a venue for receiving feedback from management and presenting each employee's activity and opinion as well as constructively exchanging and discussing views. The committee implements a PDCA cycle for initiatives developed at each division, including the progress of KPIs.

To address ESG challenges to meet the needs of society, employees and management must recognize the need to minimize their adverse impacts on the environment and society and cooperate with a sense of unity. To that end, we set ESG challenges and related targets as KPIs in the GLP2023, our medium-term management plan, which lays out the milestones for 2030 that we will strive to achieve as Companywide objectives. We will build a sustainable and hopeful future for new generations by promoting the PGRE 30, our climate action plan, which calls for increasing the share of private renewable energy generation from 0.8% to about 30% by around 2030, encouraging diverse human resources to exert their talent, disseminating our initiative on human rights throughout the supply chain, and building infrastructures for industries and technological innovation through business activities.

 **P.01** Creating a Sustainable Future Together "Sustainability Policy"

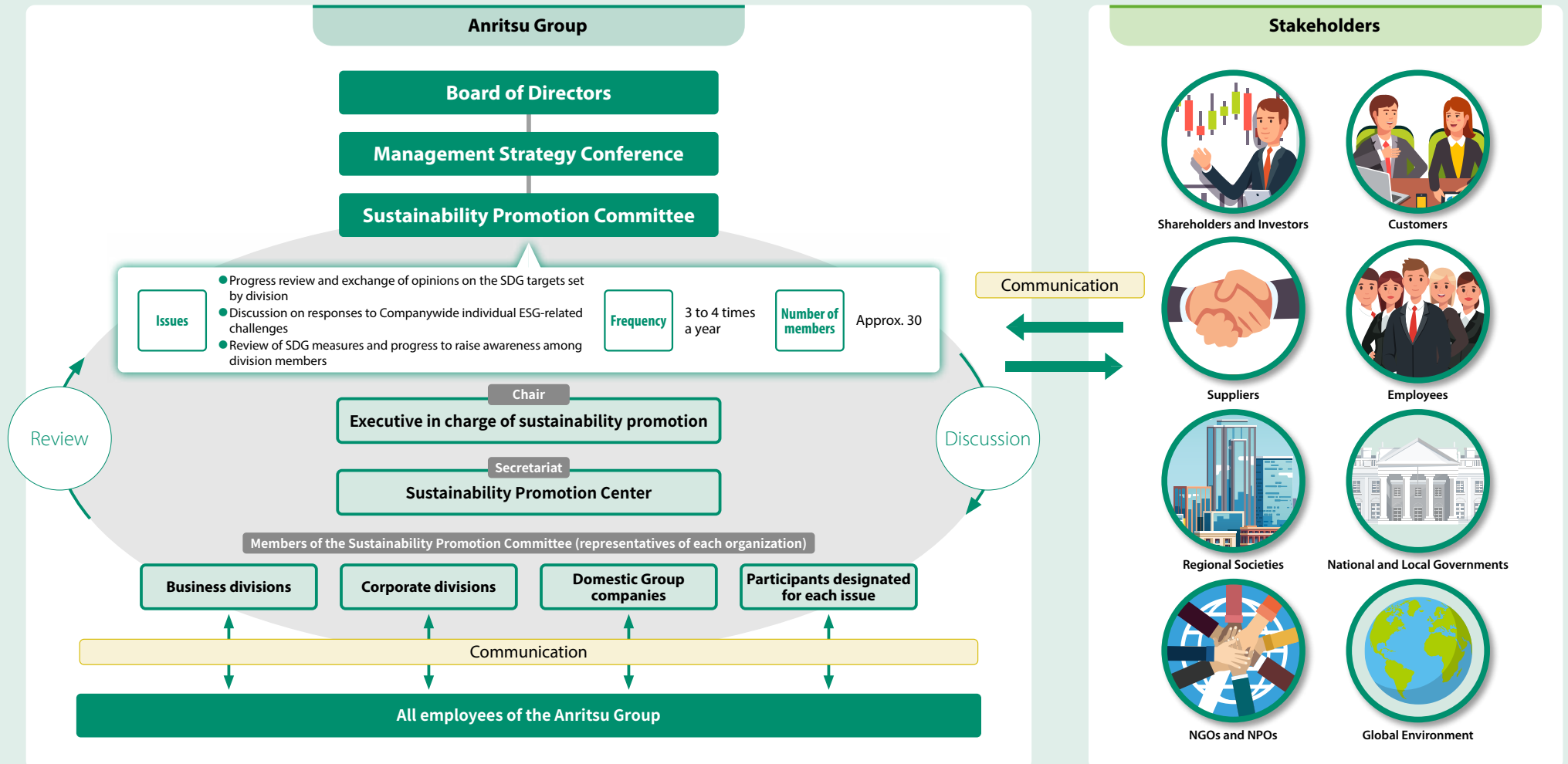


**Akio Takagi**

Senior Executive Officer  
General Manager, the Sustainability Promotion Center

## System for Promoting Sustainability

Anritsu has pursued sustainability activities based on its Company Philosophy, Company Vision, Company Policy, and Sustainability Policy. We increased the membership of the Sustainability Promotion Committee in April 2020 and are working together to accelerate our efforts across the Anritsu Group. Progress on ESG issues and initiatives have been reported to the Management Strategy Conference and the Board of Directors meeting. In fiscal 2020, nine ESG issues were discussed at Board of Directors meetings.











# Communication and Partnerships with Stakeholders

Anritsu focuses on communication with its stakeholders and provides appropriate and timely disclosure information.

We also establish partnerships with our stakeholders to conduct a variety of activities.



Stakeholders	Status of Activities	Examples of Communication Opportunities and Related Sites
<b>Shareholders and Investors</b> 	<p>Period covered: April 2020–March 2021</p> <ul style="list-style-type: none"> <li>As for IR events for overseas investors, participated in 16 conferences hosted by securities companies (IR by management) and 3 overseas IR remote roadshows; management met overseas investors: total of 239 companies (the Americas: 87; Europe: 24; Asia and others: 128)</li> <li>Increased the number of investors that management met by 28% by reducing travel time through extensive use of online meetings and effective use of management's free time</li> <li>Interviewed 245 Japanese investors and 228 overseas investors</li> <li>Provided a voice from shareholders and investors as feedback to the board of directors, Management Strategic Conference and shared it on the intranet for managerial level employees</li> </ul>	<p> Investor Relations</p> <ul style="list-style-type: none"> <li>Investor relations briefings</li> <li>Shareholders meetings</li> <li>IR individual interviews</li> <li>Participated in conferences hosted by securities companies</li> <li>Provided information via the Integrated Report and websites</li> <li>Provided a voice from shareholders and investors as feedback to management</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Creating cutting-edge products and services with a high degree of safety and quality and providing appropriate product and service information, satisfying customer inquiries</li> <li>Facilitate development in partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Customer help line and information on a website</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>Hosted a social gathering for our suppliers to explain our business policies and material procurement policy and give awards as well as information exchange meetings</li> <li>Jointly promoted CSR procurement and green procurement with suppliers; conducted due diligence on human rights</li> <li>Created business opportunities through activities such as supplier product exhibitions, seminars, and technical exchange meetings (including online meetings)</li> <li>Promoting Partner QU (Quality Up) Activities to facilitate proposals for improvements and requests from suppliers</li> <li>Implementation of a questionnaire at the time of interviews to receive feedback on interviews with our employees</li> </ul>	<ul style="list-style-type: none"> <li>Suppliers Gathering</li> <li>Information Exchange Meeting</li> <li>Audits of suppliers</li> <li>Exhibition of suppliers products and technologies</li> <li>Partner QU (Quality Up) Activities</li> <li>Established a collaboration room</li> <li>Questionnaire at the time of interview</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Review and improvement of employee engagement</li> <li>Grasping and improving status of corporate ethics</li> <li>Improving working environment and communication</li> <li>Promoting the empowerment of women</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement survey (once/year)</li> <li>Ethics questionnaire (once/year)</li> <li>Establishment of the Helpline</li> <li>Support for career development through roundtable discussions and workshops</li> </ul>
<b>Regional Communities</b> 	<ul style="list-style-type: none"> <li>Developing community-based social contribution programs under the three pillars of "partnerships for educating youth," "contributing to local communities," and "protecting the environment (biodiversity conservation)"</li> </ul>	<p> Corporate Philanthropy Activities</p>
<b>NGOs and NPOs</b> 	<ul style="list-style-type: none"> <li>Sharing information with and delivered donations to Japan Platform (JPF), a registered NPO in the event of disaster</li> <li>Cosponsoring Paralymp Art of the Shougaisha Jiritsu Suishin Kikou Association, which supports the economic independence and social engagement of artists with disabilities</li> <li>Collaborating with initiatives to promote climate actions</li> </ul>	<ul style="list-style-type: none"> <li>Donation of money to support those affected by the July 2020 flooding in Kyushu</li> <li>Use of 5 pieces of Paralymp Art artwork</li> <li>Endorsing TCFD*1 and JCI*2; sharing information with the Liaison Group of Japanese Electrical and Electronics Industries</li> </ul> <p>*1 Task Force on Climate-related Financial Disclosure *2 Japan Climate Initiative</p>
<b>Others</b>	<ul style="list-style-type: none"> <li>Communication with assessment institutions and mass media on ESG</li> </ul>	<ul style="list-style-type: none"> <li>Responded to ESG surveys; exchanged opinions on ESG assessment</li> <li>Responded to CDP</li> </ul>

# ESG Highlights

In its non-financial information disclosure, Anritsu strives to make information easy to understand and to enhance stakeholder communication and collaboration toward realizing a sustainable global society.

## Enhancing Communication Tools

Received the Excellent Award of Climate Change Report in the 24th Environmental Communications Awards

We have worked to disclose information on climate change measures that we are focusing on in a way that is easy to understand to express the state of Anritsu's sustainability management to the general public. As a result, Anritsu Sustainability Report 2020, issued in August 2020, received the Excellent Award of Climate Change Report (Global Environmental Forum Chairman's Award) in the 24th Environmental Communications Awards, sponsored by the Ministry of the Environment and the Global Environmental Forum. The selection panel for the awards commented as follows.



### Comment from the Selection Panel

From this report, we can learn about the company's commitment to increasing corporate value by promoting sustainable management. As for the environment, the report is excellent in adopting the perspective of solving social issues and achieving SDGs by positioning climate change as a key challenge even though the company's own environmental impact is rather small, acquiring SBT certification considering its value chain, disclosing information based on the TCFD framework, developing environmentally sound products, and setting long-term targets toward introducing renewable energy.

## Communication with Suppliers

Strengthening Collaborations with Suppliers via Fujimikai, an Association for Interacting with Suppliers

We are focusing on communication with suppliers through Fujimikai, our association established for that purpose. The Association regularly holds information exchange meetings to share our management policy, business development, and procurement policy. Yoshinosuke Wakabayashi, president of Waka Manufacturing Co., Ltd., representing all of the suppliers, shared the following comment.



### VOICE

**Mr. Yoshinosuke Wakabayashi**  
President, Waka Manufacturing Co., Ltd.

Anritsu always respects us, its suppliers. It does not select suppliers solely based on the level of suppliers' estimates. We believe Anritsu is strongly committed to fostering and maintaining mutually beneficial relationships with suppliers.

## Initiative for Health and Business Continuity

Group Manufactured Nonwoven Face Masks as COVID-19 Countermeasures

As one BCP measure during the COVID-19 pandemic, Anritsu introduced equipment for the Group to manufacture nonwoven face masks, which is handled by Anritsu Kousan Co., Ltd. We give the masks to employees to prevent the dissemination of droplets and also provide them to our customers, suppliers, and the local community.



### VOICE

**Daisuke Shibuya**  
Anritsu Kousan Co., Ltd.

We are manufacturing face masks after overcoming difficulties in raw material procurement and learning manufacturing techniques through an interdepartmental collaboration. I feel rewarded when I realize that this initiative will help ensure the safety and security of many people within and outside the company. We will continue to support the stable supply of high-quality face masks.



ENVIRONMENT



SOCIAL



GOVERNANCE



STAKEHOLDERS  
COMMUNICATION

**Anritsu**

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